

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
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SMALL MINING OPERATIONS 2007 PROGRESS REPORT
January 1, 2007 to December 31, 2007

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: 3019/0059
2. Mine Name: LEONARD MURPHY #1 MINE
3. Name of Operator/Permittee: EARTH ENERGY RESOURCES, INC.

Note: If Operator's address, company representative or phone number have changed, please provide a replacement page to the Notice of Intention.

4. Mine Location: PORTIONS OF THE SE 1/4 OF THE SE 1/4 OF SECTION 35, TOWNSHIP 15S, RANGE 23E, AND THE SW 1/4 OF THE SW 1/4 OF SECTION 36, TOWNSHIP 15S, RANGE 23E
5. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material:

Gross Ore Mined 0 Tons, or 0 yd³
Waste Material Moved 0 Tons, or 0 yd³
New Disturbance 0 Acres during 2007
Area Reclaimed 0 Acres during 2007
Total Disturbed Area 3.59 Acres*

Was the ore shipped off site? If not, where is the ore located? MILLED ORE
IS LOCATED ALONG THE ACCESS ROAD TO THE MINE PIT
Where is the waste located? THE WASTE IS LOCATED ALONG THE
SOUTHWEST WALL OF THE MINE PIT

*Total life of mine disturbance to the end of 2007.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).
NO RECLAMATION WORK WAS PERFORMED IN 2007. THIS AREA IS
INCLUDED IN A NOTICE OF INTENT FOR LARGE MINE OPERATIONS
SUBMITTED TO DGRM IN SEPTEMBER 2007.

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): BARCLAY CUTHBERT
Title of Operator: VIC PRESIDENT
Signature of Operator: Barclay Cuthbert
Date: 17 DECEMBER 2007